

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6755**

**BILL NUMBER:** HB 1198

**NOTE PREPARED:** Dec 23, 2010

**BILL AMENDED:**

**SUBJECT:** Lake and River Enhancement Fund.

**FIRST AUTHOR:** Rep. Friend

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**    **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill provides that the Lake and River Enhancement Fund (LARE) may be used by a local unit for the removal of logjams or obstructions from natural streams or rivers.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:** The bill expands the type of projects for which the fund could be used. Expanding the use of the fund will likely increase the number or type of projects for which the fund can be used and reduce the funding available for uses currently outlined in statute. Under existing law, LARE can be used for lake projects that could include projects to remove sediment or to control exotic or invasive plants or animals.

**Background.** The fund consists of the revenue from the LARE fee paid by boat owners. The amount of the fee varies from \$5 to \$25 and is based on the value of the boat (from less than \$1,000 to at least \$10,000). The revenue from the LARE fee must be deposited as follows:

- (1) 2/3 must be deposited in the LARE fund.
- (2) 1/3 must be deposited in the Conservation Officers Marine Enforcement Fund.

With respect to the LARE fund, under existing law, ½ of the fund must be used to pay administrative costs of the Department of Natural Resources (DNR), and ½ must be used by the DNR for lake projects that could include projects to remove sediment or to control exotic or invasive plants or animals.

In 2010, \$2.1 M was transferred from LARE to the state General Fund. Approved funding for 2009 through

2010 included 30 projects in 14 counties, including 40 lakes, for a total of \$993,040. The DNR has suspended indefinitely new LARE grant awards for biological, engineering, and watershed land treatment projects. The DNR will continue to service ongoing projects that have previously been awarded grants. These projects amount to over \$1.75 M.

LARE fund revenue for FY 2009 and FY 2010 are listed below.

Fund	Description	FY 2009 Revenue	FY2010 Revenue
36010	Lake Enhancement (F&W)	\$2,757,564	\$2,319,216
36020	Conservation Officers Marine Enforcement	\$1,281,101	\$1,173,268
36030	Special Boat Patrol Needs	\$320,275	\$293,317
Fund TOTALS		\$4,358,940	\$3,785,801

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** Expanding the use of the fund will likely increase the number or type of projects for which the fund can be used and reduce the funding available for uses currently outlined in statute. If LARE funds are available, local units could apply for funding for projects that include the new uses of the fund as outlined in the proposal. The amount of revenue that will be awarded, if any, to remove logjams or other obstructions is indeterminable.

**State Agencies Affected:** DNR.

**Local Agencies Affected:** Entities with lake and river enhancement projects.

**Information Sources:** DNR; <http://www.in.gov/dnr/fishwild/2364.htm>.

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